

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **July 13, 2004**

AGENDA ITEM NO.: 8

CONSENT:

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Transfer of Property at 1225, 1301 and 1307 Main Street to the Industrial Development Authority for the City Market Lofts project.**

RECOMMENDATION: Authorize the transfer of property at 1225, 1301 and 1307 Main Street to the Industrial Development Authority (IDA) for the City Market Lofts project.

SUMMARY: Landmark Assets Services continues to make progress on the City Market Lofts project and hopes to begin construction by the end of the summer. In order to complete the financing for the project Landmark Assets needs site control. Consistent with the actions outlined in a resolution adopted by Council on September 24, 2002 in support of the project (attached) the property now needs to be conveyed to the IDA.

PRIOR ACTION(S): September 24, 2002; Council adopted a resolution in support of development of the properties at 1225, 1301, and 1307 Main Street (attached).

FISCAL IMPACT: As described in the resolution. The development of the property will ultimately enhance business activity and the tax base downtown.

CONTACT(S): Kimball Payne

ATTACHMENT(S): Resolution, map showing property

REVIEWED BY: lkp

## RESOLUTION

BE IT RESOLVED That the Lynchburg City Council hereby approves the transfer of City-owned property at 1225, 1301 and 1307 Main Street to the Industrial Development Authority (IDA) for the City Lofts project.

BE IT FURTHER RESOLVED That the City Manager is hereby authorized to sign all documents necessary to facilitate the transfer of this property to the IDA.

Adopted:

Certified:

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Clerk of Council

101L

**Resolution in Support of the Development of Properties  
at 1225, 1301, and 1307 Main Street**

WHEREAS the City of Lynchburg owns properties at 1225, 1301, and 1307 Main Street, and

WHEREAS it is the desire of the City that the properties be redeveloped through an adaptive reuse that creates market rate residential and commercial space, and

WHEREAS Landmark Asset Services, Inc. has proposed to develop sixty-seven (67) residential lofts in the properties with approximately 12,500 square feet of retail space on the Main Street level, the project to be known as "Lynch's Lofts", and

WHEREAS the total development cost is estimated to be approximately \$10 million, supporting City Council's goals of increasing real estate assessments and redeveloping the downtown area, and

NOW, THEREFORE, BE IT RESOLVED that the Lynchburg City Council does hereby agree in principle to the following actions in support of the project:

- Not to dispose of the properties in order to provide Landmark Asset Services, Inc. a reasonable period of time to allow for the completion of a market study, financial analysis and other due diligence related to the proposed development.
- To provide a completed Phase One environmental assessment of the properties.
- Through, and subject to the approval of the Industrial Development Authority (IDA), to provide a loan in the amount of \$1,315,000 consisting of two components: (1) the properties, valued at \$365,000, and (2) \$950,000 in funds to be provided at construction completion or earlier, in the City's sole discretion, but in no event earlier than July 2004. Said loan is to have a twenty (20) year term, with no interest, and with annual payments tied to the cash flow of the project. The IDA will receive a second lien position.

Adopted: September 24, 2002

Certified: Catherine W. Kest  
Clerk of Council

